

Council Tree's Proposed Purchase of the Assets of Maritime



August 27, 2012

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1. Introduction

### Introduction

purchase the assets of Maritime Communications/Land Mobile, LLC ("Maritime" or "Debtor") Council Tree Investors, Inc. ("Council Tree" or "CTI") is pleased to review our offer to

- CTI seeks support from Debtor and its creditors to purchase Maritime's assets
- Via your vote for the CTI purchase offer in Debtor's disclosure statement
- As discussed in these materials, CTI's offer is superior to the Choctaw offer
- Better Economics
- Given \$4.25 million of fresh CTI cash investment
- Getting creditors significantly more cash sooner than Choctaw (no new cash)
- High Feasibility  $\alpha$
- High likelihood, faster timing for FCC license transfer approvals
- CTI is an arms-length, unaffiliated 3rd party
- Vs. Choctaw with its extensive relationships encompassing the FCC's alleged wrongdoers, Sandra and Donald DePriest
- With Choctaw there is a significant risk of FCC license revocation, and at a minimum a high risk of delay / reversion to bankruptcy court for a "do-over"
- .CTI provides certainty and speed of transfer = \$ to creditors faster
- **Good Partner** ന്
- We will work effectively with Debtor / creditors going forward
- Please weigh your relationship to-date with the CTI vs. Choctaw teams



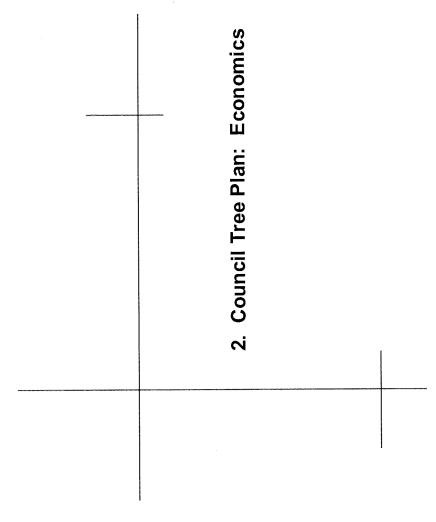
### Introduction (cont'd)

- Our approach is straightforward for you to evaluate and implement
- i.e., we work with Debtor's current framework previously agreed with Choctaw
- If you favor Council Tree, then we will need your committed support given certain factors internal to the Debtor that work against the Council Tree plan
- i.e., Maritime's CEO and sole shareholder, Sandra DePriest, we believe has a history of relationships that lead her to strongly favor Choctaw
- Note: Council Tree will form a special purpose LLC to complete this transaction
- References to Council Tree or CTI throughout this presentation refer to this LLC
- Please see Tab 2 for Council Tree's proposed structure with Debtor, using the same framework as in the Choctaw structure (also illustrated in Tab 2)
- Note: CTI commentary herein is based on our current understanding
- Please note that CTI in this document provides commentary on the DePriests and Choctaw, SECF and related common investors; we refer to these parties and parties having, as we understand it, relationships with the DePriests, namely DePriest together as the Maritime "Inside Parties"
- Parties to further explain / clarify for our benefit, along with the benefit of Maritime understanding to-date; we continue to welcome any feedback from the Inside Our commentary on the Inside Parties reflects our views based on our creditors, the FCC issues and the public interest

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**Council Tree Investors** 

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### **Council Tree Investors**

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Est. \$11.5 of personal guarantees remain in place  $\infty$ SANDRA Depriest Owned 10.52% since 1996; recently returned to SECF for \$0.438 of debt forgiveness Southeastern Commercial Finance, LLC ADMINISTRATIVE CLAIMS
Maritime Debtor Counsel and
Committee Counsel SECURED LENDERS
Collateral Plus, Hollis, Watson & Downs,
Chris Dupree, NRTC DONALD DePRIEST Est, \$1.0 DIP payment \$1.0 payment Security Interest \$18.98 payment SECF provides DIP Financing to Maritime - Est. \$1.0 at Effective Date 100% License sale Ownership proceeds distributed CTI Maritime Holdings, LLC COUNCIL TREE
CTI Principals
Catalyst Investors CTI Maritime, LLC HOLDING \$4.25 million investment 100% ownership of CTI \$8.97 payment Debtor assigns all reserved claims to Holding Liquidating Agent Repay \$8.89 Unsecured Claims Repay \$0.08 Tax Claim Debtor Assigns FCC licenses to Holding Maritime Communications / Land Mobile, LLC (MCLM) 100% owned CRITICAL RE DEBTOR (\$ in millions)

Council Tree's Structure





## CTI Cash Buildup to Repay Claims

## CTI will build cash as follows, for the benefit of Maritime creditors

## At plan confirmation CTI will pay Administrative Expenses of \$250,000

- CTI's payment will be repaid in the "waterfall" repayment schedule as illustrated; pre-Effective Date this interest will be secured claim in Maritime
- Vs. Choctaw: makes the same \$250,000 payment but is unclear as to how repaid

## At Effective Date CTI will invest \$4 million of new cash equity

- Funded by Catalyst Investors and the Council Tree principals
- Please see our evidence of financing letters dated August 2, 2012
- A portion of this investment may be reserved to pay potential tax liabilities TBD incurred on the sale of FCC licenses; excess amounts will be paid to waterfall
- Vs. Choctaw: makes no incremental cash investment at Effective Date

# At Effective Date, CTI will realize \$9.98 million of net license sale proceeds

- \$10.48 million of gross sale proceeds per sale contracts listed in Appendix A
- expenses, including legal fees (note: we are waiting for buyer detail on holdbacks) Less an est. \$500,000 that will be held back by license buyers as a result of indemnification" provisions that allow for the offset of certain license buyer
  - Vs. Choctaw: silent on this and other relevant business case matters

COUNCIL TREE

## CTI Cash Buildup to Repay Claims (cont'd)

# At Effective Date, CTI will reserve \$1.0 million for working capital purposes

- To fund operations on a sound basis going forward for the benefit of all creditors
- CTI will periodically add to this reserve with revenues from operations, including license sales; "Effective Date" defined to include all FCC approvals, close of pending license sales and other necessary approvals
- Vs. Choctaw: silent as to funding ops, and with no hard obligation to fund ops
- though as we read the contract Choctaw appears to be under no obligation Choctaw under its plan receives a \$90,000 Monthly Accruals payment, to actually pay expenses from the Monthly Accruals
- In fact, it looks to us like Choctaw could reimburse itself for expenses, in addition to paying itself the Monthly Accruals
- And finally, Choctaw Investors are under no obligation to fund Choctaw to pay operating expenses, and if they do, it is on terms TBD
  - Vs. CTI's approach which is transparent and does not pay CTI a \$90,000 monthly escrow

# In total, CTI will have an est. \$12.98 million of deployable cash proceeds

- \$4 million CTI investment plus \$9.98 million of est. net license sale proceeds
  - Reduced by \$1.0 million of cash reserved for working capital Vs. Choctaw: est. \$8.98 million of deployable cash proceeds
- comparison that Choctaw likewise invests \$1.0 million of working capital in CTI brings 45% more cash to closing than Choctaw (assuming for operations)



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### **CTI Claims Repaid**

# Consistent with Debtor's framework, CTI will repay the claims listed below

- CTI will provide for the payment of \$30.20 million in Maritime claims at Effective Date
- SECF / Collateral Plus \$17.825 million of claims Secured Creditors:
- Collateral Plus \$9.476 million (1st and 4th liens)
- Hayne Hollis \$2.784 million (2<sup>nd</sup> lien)
- Watson & Downs \$2.784 million (2nd lien)
- Chris Dupree \$2.784 million (2nd lien)
- Secured Creditors: NRTC \$1.150 million (3rd lien)
- Administrative Claims \$1.0 million for Debtor and Committee counsel
- Unsecured Creditor Claims up to \$8.89 million (or less if claims turn out to be less)
- SECF DIP Financing est. \$1.0 million at Effective Date (equals \$0.8 million at plan confirmation, plus \$0.2 million to Effective Date (est. 4 months times \$50k/month))
- CTI Admin. Fee Pre-Payment \$0.25 payment to CTI for monies paid at confirmation
- ax Claims \$0.08 million

## CTI will not assume liability for other claims, including:

- \$7.2 million of unsecured loans owing to the DePriests<sup>(1)</sup>
- \$6.3 million in penalties assessed by the FCC
- \$100 million in legal claims asserted from Warren Havens

(1) Notwithstanding anything to the contrary which may be contained herein, SkyTel will participate in the recovery to Class 9 General Unsecured Creditors in the event and to the extent that the litigation currently proceeding in front of the New Jersey District Court ultimately results in a monetary award in SkyTel's favor, or in the event that SkyTel is otherwise determined to have an allowed claim.



### CTI Waterfall

CTI will repay claims working with the "waterfall" priority framework structured by Debtor and explained in sequence below

- \$250,000 payment of Administrative Expense Claims by CTI at confirmation
- Vs. Choctaw plan: same
- \$600,000 Administrative Expense Pre-Payment ä
- Paid by CTI at Effective date with the sale of \$600,000 of licenses
- Vs. Choctaw pan: same
- \$250,000 repayment to CTI for Administrative Expense Claims previously paid က
- Vs. Choctaw plan: silent as to how Choctaw will be repaid \$250,000
- \$1 million up-front payment to Unsecured Creditors 4
- Paid at Effective Date
- Remainder of Unsecured Creditor claims paid in #8
- Vs. Choctaw plan: \$0.6 million



**Council Tree Investors** 

### CTI Waterfall (cont'd)

- \$150,000 final payment of Administrative Expense Claims Š
- Paid as a varying percentage of license sale proceeds
- Vs. Choctaw plan: same

Concurrent payments to the secured lenders in varying participation amounts based on levels of license sale proceeds

- \$17.825 million to Collateral Plus, Dupree, Watson, Hollis, pro rata per waterfall
- Vs. Choctaw plan: same
- \$1.15 million to NRTC pro rata per waterfall
- Vs. Choctaw plan: same

Concurrent payments to the secured lenders in varying amounts

- \$0 per month to CTI for Monthly Accruals (CTI pre-funds \$1 million of working capital) — Vs, Choctaw plan: \$90,000 / month to Choctaw - paid whether or not Choctaw
  - actually chooses to fund Choctaw and/or pay expenses
    - CTI Tax Accruals paid
- Vs. Choctaw plan: same
- \$0.08 million payment of Priority Tax Claims တ်
- Vs. Choctaw plan: same





### CTI Waterfall (cont'd)

## \$1.0 million (est.) payment of DIP Financing owing to SECF

- months to confirmation (\$0.2 million), plus an additional est. four months to Effective Based on est. \$0.6 million accrued to date, plus \$50,000 per month for est. four Date (\$0.2 million) for a total of \$1.0 million
  - CTI plan prepays this DIP financing prior to #5 above (Secured Creditors)
- Vs. Choctaw plan: same, except (a) we est. \$1.6 million will be owing to SECF and Choctaw DIP repayment is junior to #5 above
- Based on the Choctaw plan taking est. 12 months longer to become Effective than the CTI plan (assuming that the Choctaw plan gains FCC approval)

### \$7.89 million payment of unsecured claims ထ

- Following payment of the claims above, CTI will pay to Liquidating Agent \$7.89 million; this amount shall be adjusted downward if valid unsecured claims are determined to be lower
- Paid in addition to \$1 million paid in #4
- Vs. Choctaw plan: \$8.29 million, in addition to \$0.6 million paid in #4

### No payment to Class 10 general membership interests in Debtor တ်

- Vs. Choctaw plan: same
- Note: CTI waterfall / plan to be documented in closing documentation
- Note: CTI will provide a security interest to the Unsecured Creditors for protection in the event that CTI fails to fulfill its commitments to the Unsecured Creditors





### CTI vs. Choctaw Plans

Lelow is our proposal compared against the Choctaw plan as it relates to sources of capital

Funding of Cash at Various Dates

	COUNC	COUNCIL TREE PURCHASE OFFER	URCHASE	OFFER	CHOCT	CHOCT AW PLAN		
(\$ in Millions)	Plan	Plan Effective	Subseq.		Plan	Plan Effective	Subseq. License	
Sources of Cash	Conf.		Date (1) Sales (2)	Total	Conf.	Date (1)	٠,١	Total
Confirmation Funding (3)	0.25	ı	1	0.25	•	ı	ı	1
Council Tree - Effective Date Funding (4)	I	4.00		4.00	ı	1	1	1
Choctaw - Confirmation Funding (3)		ı		1	0.25	•	1	0.25
Pending Sale Proceeds	ı	10.47	1	10.47	1	10.47	ı	10.47
Less: Est. Pending Indemnification Payments	-	(0.50)	-	(0.50)	•	(0:20)	1	(0.50)
Subsequent License Sales (2)	1		16.98	16.98	1	•	16.98	16.98
Net Cash Receipts	0.25	13.97	16.98	31.20	0.25	9.97	16.98	27.20
less: Cash Reserve for Working Capital	1	1.00	1	1.00	1	1.00	1	1.00
Net Deployable Cash (4)	0.25	12.98	16.98	30.20	0.25	8:38	16.98	26.20

### NOTES:

(1) Plan Effective Date: Date when FCC license transfer approvals have been received and pending sales closed, as defined.

(2) Subsequent License Sales: Date when cash is received from the sale of additional licenses following Plan Conf. (excl. currently pending sales).

Confirmation Funding: Funding of \$250,000 of cash funding to pay Administrative Claims (i.e. legal) at Plan Confirmation.

(3) <u>Confirmation Funding</u>: Funding or ຈ∠ວບ,ບບບ ບາ ບແນກສະສະສະກຸນ (4) <u>CTI Funding</u>: Cash deployed to plan waterfall after reserves for tax accruals TBD



### **Council Tree Investors**

Cash Payments to Creditors					
(\$ in Millions)		์  -	Creditor Cash Received		Creditor Cum Cash As 9
		iability	Liability @ Various Dates		of Claim @ Various Date
	Creditor Assumed	pamns		nbsed.	Plan Su
	Claim @	Bank.	Plan	License	Plan Effective Lice
	Amount	روسو	Conf Date (1)	Sales (2) Total	Amount Conf Date (1) Sales (2) Total Conf Date (1) Sale

CTI vs. Choctaw Plans (cont'd)

(\$ In ivillioris)					3000		5		?
		Liability	@ Vari	Liability @ Various Dates			of Claim	of Claim @ Various Dates	Dates
	Creditor	4		Plan	100		i	Plan	Subseq.
Creditor / Claim	Claim Amount	@ Bank. Conf.	Plan Conf.	Plan Effective Conf. Date (1)	Plan Effective License Conf. Date (1) Sales (2) Total	Total	Plan Conf.	Plan Effective License Conf. Date (1) Sales (2)	Sales (2)
COUNCIL TREE PURCHASE OFFER	8888								
Administrative Expenses (i.e., legal)	1 6:-	1.00	0.25	0.75	1	1.00	25%	100%	100%
Secured Creditors - DIP Loan (3)	09.0	0.80	-	1.00	,	1.00	<b>%</b> 0	100%	100%
Secured Creditors - Principal	17.83	17.83	1	9.30	8.53	17.83	%0	52%	100%
NRTC	1.15	1.15		09.0	0.55	1.15	%0	25%	
Unsecured Creditors - Excluding DePriest	8.89	8.89	1	1.00	7.89	8.89	%0		4001
Tax Claim	0.08	0.08	1	0.08		0.08	%0	100%	100%
Council Tree - Confirmation Funding (5)	-	0.25	-	0.25	i	0.25	NA	100%	9
FCC Claim	6.32	1	,	•	1	ı	%0	%0	
Unsecured: DePriest	7.23	1	1	ı	•	•	%0	%0	
Warren Havens Litigation	100.00		;	ı	-	1	%0	%0	%0
Total	143.10	30.00	0.25	12.98	16.98	30.20			
Cumulative Liabilities Repaid (%)		0.0%	%8.0	43.8%		100.0% 100.0%			

CHOCTAWPLAN									
Administrative Expenses (i.e., legal)	1.00	1.00	0.25	0.75	1	1.00	25%	100%	100%
Secured Creditors - DIP Loan (4)	0.60	0.80		-	1.60	1.60	%0	%0	100%
Secured Creditors - Principal	17.83	17.83	1	6.74	11.09	17.83	<u></u> %0	38%	100%
NRTC	1.15	1.15	-	0.43	0.72	1.15	%0	38%	100%
Unsecured Creditors - Excluding DePriest	8.89	8.89	1	0.80	3.49	4.29	%0	%6	48%
Tax Claim	0.08	0.08	•	,	0.08	0.08	%0	%0	100%
Choctaw - Confirmation Funding (5)	-	0.25	•	0.25	-	0.25	¥×	100%	100%
FC.C. Claim	6.32		,	•	٠	,	%0	%0	%0
Unsecured: DePriest	7.23	,	ı	1		ı	%0	%0	%0
Warren Havens Litigation	100.00		,				%0	%0	%0
Total (a)	143.10	30.00	0.25	8.98	16.98 26.20	26.20			
Cumulative Liabilities Repaid (%)		%0.0	0.8%	30.8%	85.1%	85.1% 85.1%			

### NOTES:

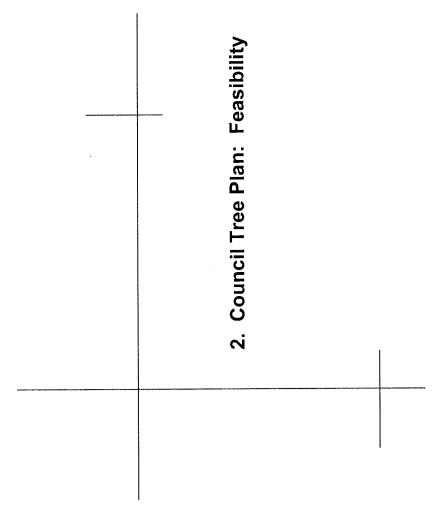
- (1) Plan Effective Date: Date of all FCC final approvals and pending sales closed, as defined; waterfall deployment subject to adjustment for tax accrual reserve TBD on \$4 million CTI investment.
- Subsequent License Sales: Date when cash is received from the sale of additional licenses following Plan Conf. (excl. currently pending sales).

  <u>OIP Loan</u> is currently \$575,000 plus \$225,000 through Plan Confirmation plus our estimated 4 months thereafter for \$50,000 per month to Effective date.

  <u>OIP Loan</u> is currently \$575,000 plus \$225,000 through Plan Confirmation plus our estimated 12 months thereafter for \$50,000 per month to Effective date.

  <u>Confirmation Funding</u>: Funding of \$250,000 of cash funding to pay Administrative Claims (i.e. legal) at Plan Confirmation. <u>0</u> 0 <del>4</del> 0

### **Council Tree Investors**



## **Context for FCC Transaction Feasibility**

In our view the central consideration of Maritime creditors in any reorganization is the feasibility of any plan for gaining FCC approval

- As background the FCC has painted a picture of substantial misconduct by Maritime and by the DePriests
- Charges of misconduct and rule violations following a thorough FCC investigation
- (small business) bidding credits in an FCC auction, credits for which Maritime was The investigation focused on Maritime's receipt of FCC Designated Entity (DE) eligible as a result of being owned and controlled by Sandra DePriest, as she attested in FCC filings
- But in fact, Donald DePriest is alleged to have been actively involved in Maritime and as such disqualifying Maritime for bidding credits
- And Donald DePriest's affiliated businesses also violated the DE revenue test
- In short, Maritime allegedly received bidding credits for which it was not eligible
- While Maritime and the DePriest's further misled the FCC in their investigation
- The FCC's charges against Maritime are severe in their consequences, including:
- Revoking Maritime's licenses
- Denying pending Maritime license sale applications
- Ordering repayment of the bidding credit and/or payments for FCC rule violations
- Additional penalties and fines
- The FCC has already filed creditor claims against Maritime for \$6.3 million





## Context for FCC Transaction Feasibility (cont'd)

- Council Tree believes that the FCC will require that any purchase of the Maritime assets not benefit the DePriests. See in re: Application of Second Thursday Corp., 22 F.C.C. 2d 515 (1970)
  - A straightforward undertaking for an unaffiliated 3rd party buyer
- A difficult or unattainable undertaking for Inside Party buyers who will be thoroughly scrutinized by the FCC to evaluate their relationships, dealings and other considerations of interest to the Commission





### Feasibility of CTI's Plan

CTI's plan is highly feasible and ideally positioned to quickly achieve FCC approval

- As a threshold matter, CTI has no prior relationships with the Inside Parties
- No prior CTI relationships with the DePriests, Pat Trammell, SECF, Choctaw or their respective investors
- Nor do we have prior relationships with other Maritime related parties
- i.e., unsecured lenders or the license buyers
- We have previously met a number of times with Tim Bryan, CEO of NRTC, but prior to a month or so ago have not spoken with him in the past several years
- CTI is ideally positioned to achieve speedy and certain FCC license transfers
- Free of any DePriest / Inside Party affiliation
- Long, unbroken history of CTI principals obtaining FCC license transfer approvals
- Effective working relationship with the FCC
- Please see further CTI background in Appendix D





# Debtor's Significant FCC Risk in a Choctaw-Led Transaction

CTI believes that a Choctaw-led transaction exposes the Debtor and its creditors to very substantial, and wholly unnecessary risks, some of which may be fatal

## . FCC Outright Revocation of Maritime's FCC Licenses

- together with associated Choctaw party's efforts to retain control, merit FCC revocation Meaningful risk that the FCC will conclude that repeated Maritime FCC rule violations, of these licenses
- Leaving Debtor / creditors with \$0 economic recovery and significant potential penalties

## 2. FCC Rejection of a Choctaw Transaction

- Significant risk that the FCC simply rejects the Choctaw transaction (after extensive evaluation) and sends it back to bankruptcy court for a "do-over"
- This pushes Debtor and creditors back to "square one" and delays recoveries by a matter of years, in addition to creating more economic / feasibility uncertainty

### 3. FCC Delay

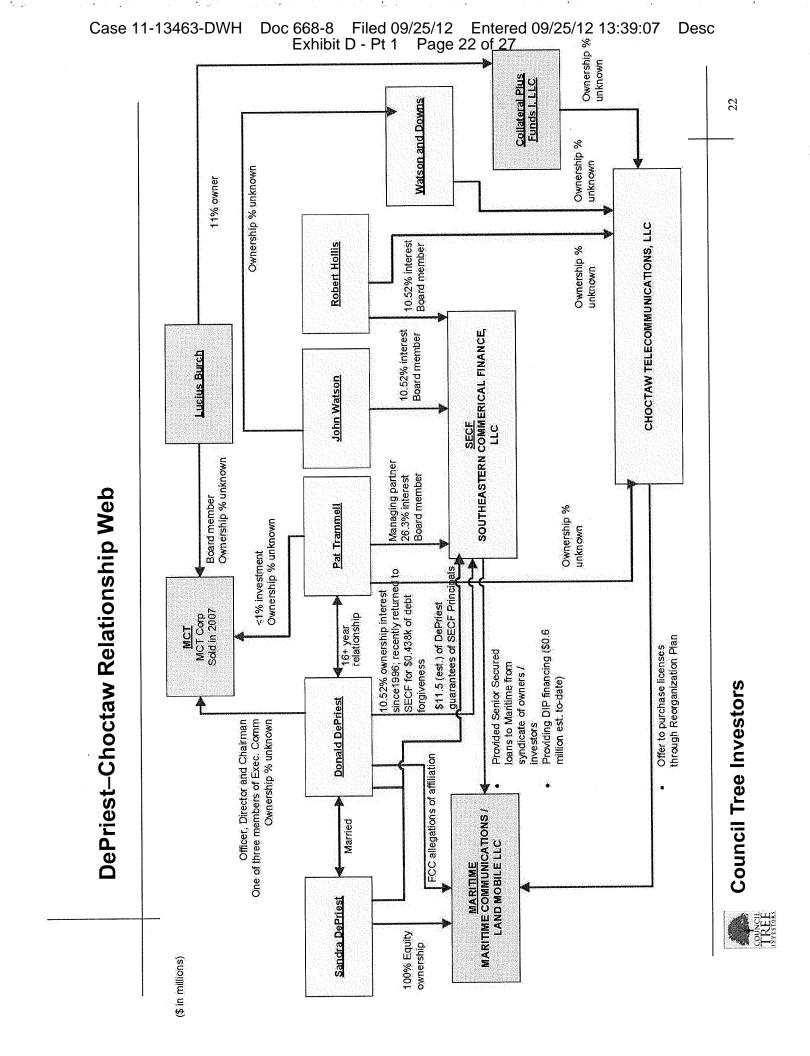
- At a minimum, the FCC is likely to materially delay a Choctaw transaction in order to investigate the web of DePriest / Trammell / SECF / Choctaw Inside relationships
- We believe that this will add 12+/- months to a Choctaw-led transaction approval

### Why is a Choctaw-led transaction at risk?

- Please see first the chart on the next page showing the DePriest-Choctaw web
- Followed by subsequent pages of discussion highlighting Choctaw risks







## DePriest-Choctaw Insider Relationship Web (cont'd)

A Choctaw-led transaction is burdened at the start with the web of Maritime Insider Party relationships, including those detailed below

- Sandra DePriest CEO, sole officer and sole shareholder of Maritime
- Married to Donald DePriest
- Donald DePriest Married to Sandra DePriest
- forgave a debt of \$438,102.06 owed by DePriest to SECF in return for his 10.52% 10.52% shareholder in SECF since 1996 until SECF, on an unspecified date, interest of unspecified value; other transaction terms also not specified
- Pat Trammell 16+ year relationship with DePriests
- Manages both SECF and Choctaw, in addition to being an investor
- SECF Maritime's longtime secured lender and currently its DIP provider as well
  - Donald DePriest and Pat Trammell are 16+ year owners of SECF
- Pat Trammell manages SECF
- Choctaw looking to acquire Maritime's assets; managed by Pat Trammell
- Common investor / management linkage with SECF
- Hollis, Watson and Trammell key investors in both SECF and Choctaw
- 3 of the 4 Choctaw investors are also SECF key investors / board members





## Nine Risk Factors for Choctaw's Plan

its creditors in a Choctaw-led transaction seeking to transfer Maritime's FCC licenses The Insider Party relationships translate into the following risk points for Debtor and

- The Choctaw plan contains a weak "findings" commitment with respect to ensuring that the DePriests will not benefit in any way from Choctaw's transaction
- It is key for FCC approval to be certain that the DePriests cannot benefit in any way
- Choctaw's plan is loose in that it does not prohibit "indirect" benefits to the DePriests, it does not indicate that creditors will individually rep and warrant to this, it does not prohibit "side" deals with the DePriests....in short, it is unconvincing
- By contrast, CTI's plan will incorporate strong mechanisms to ensure that zero benefits low to the DePriests; for example, we will require that creditors, prior to receiving any CTI cash distributions, rep and warranty that such distributions have not and will not benefit the DePriests, directly or indirectly

### Choctaw's plan is silent to \$11.5 million of est. benefits accruing to the DePriests ri N

- provides the DePriests in forgiving an est. \$11.5 million in DePriest personal guarantees The Choctaw plan does not acknowledge or address the large benefit that Choctaw
- The guarantees are forgiven by the individual SECF lenders, including those same entities that are owners of the proposed Maritime acquirer, Choctaw
- By contrast, with Council Tree as the acquirer, we expect that the guarantors should have no incentive to release their guarantees and benefit the DePriests
- Also, CTI's plan will not impair the estate's ability to pursue any potentially viable claims to enforce guaranties (e.g., through marshaling of assets or similar actions)



## Nine Risk Factors for Choctaw's Plan (cont'd)

### The Choctaw Plan fails to address the \$438,102 of value that SECF just provided to **Donald DePriest** က

- By permitting Donald DePriest to forgive a \$438,102 debt owing to SECF in return for SECF receiving DePriest's SECF ownership interests with no disclosed value
- The date and other relevant details of this transaction were also not disclosed

# Debtor's CEO is in a conflicted control position with negative consequences

- The creditors should carefully consider the likelihood that the FCC will know that the very plan presented to them, with Choctaw as the 2nd Thursday applicant, will have been the product of Sandra DePriest's ongoing management role in Maritime
- Parties, providing a large benefit to the DePriests, is just one example of the perils of The preceding discussion of the release of DePriest guarantees by the Inside the CEO's conflicted position

## 5. Potential recurring control violations of the DePriests

- The alleged Maritime "control" violations by the DePriests may be deeper than previously understood / disclosed
- As shown in Appendix B, Donald DePriest, during his tenure as a significant investor occasions, he executed employment letters with John Reardon, Maritime's "genęral in SECF, acted in a Maritime executive-like capacity when, on two illustrated manager" (though not officer) who runs day-to-day Maritime operations



## Nine Risk Factors for Choctaw's Plan (cont'd)

### Deeper, longer, broader FCC inquiry into the inner workings of the Inside Parties တ်

and broader than anticipated (and, we believe, will be substantially obviated under Choctaw-led 2nd Thursday proceeding is likely to be substantially longer, deeper In light of the various Inside Party relationships, and in light of just some of the previous examples listed by CTI, the FCC scrutiny of the underlying facts in a the Council Tree plan)

## The danger in the "unknowns" for Maritime creditors

- Based on what we have seen in our investigation, including the examples above, it seems to us likely that an FCC investigation of a Choctaw-led transaction may well result in damaging new facts surfacing, increasing transaction risk and delay
  - In essence, Maritime creditors are blindly exposed to what they don't know
- nteraction with the Inside Parties as a tone-setting sense for what may lie ahead in We further commend that you consider the nature of your own correspondence. FCC discovery

### Choctaw lacks experience working with the FCC ထ

To our knowledge, Choctaw has no material experience in appearing before the FCC and securing FCC approval license transfers

### The "one-shot" dilemma before outright license revocation တ်

- We believe that this case presents only one-shot to secure 2nd Thursday approval
- The FCC enforcement proceedings, coupled with the bankruptcy, have likely led to FCC fatigue in the entire Maritime undertaking - that is easily ended via revocation



### Conclusion

- We thank Debtor, creditors and the Court for your consideration of Council Tree's plan
- We would be pleased to answer any questions or comments
- George Laub at (212) 286-8700 glaub@counciltree.com
- Steve Hillard at (512) 213-8888 shillard@counciltree.com
- Jonathan Glass at (212) 286-8702 jglass@counciltree.com



